



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
Kelly M. Schulz | Secretary of Commerce
Benjamin H. Wu | Deputy Secretary of Commerce

April 25, 2019

The Honorable Thomas V. Mike Miller, Jr.
President, Maryland Senate
State House, H-107
Annapolis, Maryland 21401-1991

The Honorable Adrienne A. Jones
Speaker Pro Tem, Maryland House of Delegates
312 House Office Building
Annapolis, Maryland 21401-1991

RE: Hire Our Veterans Tax Credit – Annual Report

Dear President Miller and Speaker Pro Tem Jones:

Pursuant to Tax General Article §10-743, I am pleased to submit the Department of Commerce's Hire Our Veterans Tax Credit Annual Report.

I look forward to your review of this report and will be available to furnish any additional information that is needed. If my staff or I can be of further assistance, or if you have any questions regarding this report, please contact me at 410-767-6301.

Sincerely,

Kelly M. Schulz
Secretary

cc: Sarah Albert, DLS

Enclosure

DIVISION OF FINANCE
HIRE OUR VETERANS TAX CREDIT PROGRAM

ANNUAL STATUS REPORT
TAX YEAR 2018
TAX-GENERAL ARTICLE

SECTION 10-743

Submitted by:

Maryland Department of Commerce

April 2019

BACKGROUND

The Hire Our Veterans Tax Credit Program (Program) was enacted during the 2017 legislative session of the Maryland General Assembly (Chapter 180, Acts of 2017). The statute requires that each business wishing to receive tax credits apply for certification for an income tax credit equal to 30% of up to the first \$6,000 of wages paid to a qualified veteran employee during the first year of employment (i.e. a maximum of \$1,800 per qualified veteran employee). After receiving tax credit certification from Commerce, the employer must file a tax return with the Comptroller of Maryland for the taxable year in which the certification was issued using Maryland Tax Form 500CR. The tax credit is non-refundable and cannot be carried forward or backwards.

To be eligible to apply for the tax credit an applicant must meet the following criteria:

Qualified Employer:

A qualified employer is a “small business” operated by an individual, a partnership, a limited partnership, a limited liability partnership, a limited liability company, or a corporation that employs 50 or fewer full-time employees.

Qualified Veteran Employee:

- Must have been hired on or after January 1, 2017;
- Must have served in the active Armed Forces and have been discharged or released from that service under honorable circumstances. “Armed Forces” means the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including related reserve components;
- Must have served on active duty (not including training) in the Armed Forces for more than 180 days, OR have been discharged or released from active duty for a service-connected disability; AND not have a period of active duty (not including training) of more than 90 days that ended during the 60-day period ending on the hiring date;
- Must be a Qualified Veteran for purposes of the Federal Work Opportunity Tax Credit, as follows:
 - Be a veteran who is a member of a family that received SNAP benefits (food stamps) for at least a 3-month period during the 15-month period ending on the hiring date;
OR
 - Be a disabled veteran entitled to compensation for a service-connected disability, who has been hired within 1 year after discharge or release from active duty OR unemployed for at least 6 months in the year ending on the hiring date;
OR
 - Be a veteran who has been unemployed for at least 4 weeks in the year ending on the hiring date.

Limitations:

- This credit is only available for wages paid in the qualified veteran’s first year of employment.
- A qualified employer may claim up to 5 qualified veteran employees for each taxable year.
- The total amount of credits available in a year is capped at \$500,000, and approvals of the tax credit certifications are on a first-come, first-served basis.

- The tax credit is not refundable.
- The tax credit cannot be carried forward or backwards.

ACTIVITY FOR TY 2018

Commerce received five (5) applications during 2018; four (4) applications for TY 2017 and one (1) application for TY 2018. The department denied one (1) application due to unqualified veteran employee wages, and certified three (3) businesses to receive tax credits in a total amount of \$5,400 for tax year ending in 2017. One (1) application remains under review and the applicant will be notified whether Commerce approves or denies the application in 2019.

The applicants and the amount of credits for which they were certified are included in the attached appendix.

Appendix: Maryland Hire Our Veterans Incentive Program - Credits certified for TY2017 and TY2018 in 2018

Date Received	Date Certificate Issued	Company Name	Business Address	City	State	Zip	County	# of Qualified Veterans	Tax Credit for TY 2017	Tax Credit for TY 2018
1/26/2018	1/31/2018	Technology Support Services, Inc.	909 Baltimore Blvd.	Westminster	MD	21157	Carroll	1	1,800	
2/20/2018	2/22/2018	Skyline Construction, Inc.	14533 Sixes Rd.	Emmitsburg	MD	21727	Frederick	1	1,800	
4/18/2018	4/19/2018	Got Electric	18978 Bonanza Way	Gaithersburg	MD	20879	Montgomery	1	1,800	

Total: 5,400